

Financial Questions for Applicants Seeking Local Exchange Service Authority

1. (Answer if requesting waiver of Part 710) What circumstances warrant a departure from the prescribed Uniform System of Accounts ("USOA")?
Applicant already maintains books and record in accordance with GAAP, and that methodology has been accepted by every other jurisdiction where Applicant does business. To require USOA would impose a significant hardship on Applicant. Other competitive carriers widely, if not universally, use GAAP.
2. Will records be maintained in accordance with Generally Accepted Accounting Principles ("GAAP")?
Yes
3. Will applicants accounting system provide an equivalent portrayal of operating results and financial condition as the USOA?
Yes
4. Will applicants accounting procedures maintain or improve uniformity in substantive results as among similar telecommunications companies?
Yes
5. Will applicant maintain its records in sufficient detail to facilitate the calculation of all applicable taxes?
Yes
6. Does the accounting system currently in use by applicant provide sufficiently detailed data for the preparation of Illinois Gross Receipts Tax returns? What specific accounts or sub-accounts provide this data?
Yes, currently we use billing system data to get state detail.
7. If a waiver of Part 710 is granted, will applicant provide annual audited statements or all periods subsequent to granting of the waiver?
No, we can provide annual un-audited on a timely basis.
8. Does applicant agree that the requested waiver of Part 710 will not excuse it from compliance with future Commission rules or amendments to Part 710 otherwise applicable to the Company?
Yes
9. Please attached a copy of applicant's chart of accounts.
See Exhibit 5.a.